

Catastrophic Health Care

Analyst: Burns

Historical Summary

OPERATING BUDGET	FY 2003 Total App	FY 2003 Actual	FY 2004 Approp	FY 2005 Request	FY 2005 Gov Rec
BY FUND CATEGORY					
General	10,442,400	10,442,400	8,126,700	14,233,800	8,160,500
Dedicated	1,686,400	1,680,600	835,000	0	0
Total:	12,128,800	12,123,000	8,961,700	14,233,800	8,160,500
Percent Change:		0.0%	(26.1%)	58.8%	(8.9%)
BY OBJECT OF EXPENDITURE					
Lump Sum	12,128,800	12,123,000	8,961,700	14,233,800	8,160,500

Department Description

Meet the needs of the medically indigent in Idaho who do not qualify for state or federal health and welfare programs, but who qualify for county assistance. The county is responsible for the first \$10,000 in medical bills incurred by the medical indigent in any twelve-month period. The Catastrophic Program is responsible for all medical bills in excess of \$10,000.

Catastrophic Health Care

Analyst: Burns

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2004 Original Appropriation	0.00	8,126,700	8,961,700	0.00	8,126,700	8,961,700
1. CAT Fund Shortfall	0.00	4,000,000	4,000,000	0.00	4,000,000	4,000,000
FY 2004 Total Appropriation	0.00	12,126,700	12,961,700	0.00	12,126,700	12,961,700
Removal of One-Time Expenditures	0.00	0	(835,000)	0.00	(4,000,000)	(4,835,000)
FY 2005 Base	0.00	12,126,700	12,126,700	0.00	8,126,700	8,126,700
Nonstandard Adjustments	0.00	33,800	33,800	0.00	33,800	33,800
FY 2005 Program Maintenance	0.00	12,160,500	12,160,500	0.00	8,160,500	8,160,500
1. Increased Funding	0.00	2,073,300	2,073,300	0.00	0	0
Lump Sum or Other Adjustments	0.00	0	0	0.00	0	0
FY 2005 Total	0.00	14,233,800	14,233,800	0.00	8,160,500	8,160,500
Change from Original Appropriation	0.00	6,107,100	5,272,100	0.00	33,800	(801,200)
% Change from Original Appropriation		75.1%	58.8%		0.4%	(8.9%)

Catastrophic Health Care

Analyst: Burns

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2004 Original Appropriation	0.00	8,126,700	835,000	0	8,961,700

1. CAT Fund Shortfall

An ongoing supplemental is requested to fund costs that are expected to exceed the current year appropriation.

ANALYST COMMENT: According to the state's accounting system, the Catastrophic Health Care Fund has a total of \$9,384,800 that is available to the program for the current fiscal year. As of December 17, 2003, the program has already expended \$6,522,100 leaving a positive balance of \$2,862,700 for the remainder of the year. By comparison, expenditures totaled \$13.9 in fiscal year 2002 and \$13.7 in 2003. In addition to the CAT Fund, there is another \$400,000 available from the Millennium Fund for general program purposes.

Agency Request	0.00	4,000,000	0	0	4,000,000
----------------	------	-----------	---	---	-----------

The Governor recommends a one-time supplemental appropriation.

Governor's Recommendation	0.00	4,000,000	0	0	4,000,000
---------------------------	------	-----------	---	---	-----------

FY 2004 Total Appropriation					
Agency Request	0.00	12,126,700	835,000	0	12,961,700
Governor's Recommendation	0.00	12,126,700	835,000	0	12,961,700

Removal of One-Time Expenditures

Removes one-time appropriations from the Millennium Fund of \$435,000 that was provided to reduce county deductible payments from \$10,000 to \$5,000 in caring for indigent persons with tobacco-related cancers and respiratory diseases; and \$400,000 that was provided in lieu of General Funds for continued program support.

Agency Request	0.00	0	(835,000)	0	(835,000)
----------------	------	---	-----------	---	-----------

Removes one-time supplemental appropriation.

Governor's Recommendation	0.00	(4,000,000)	(835,000)	0	(4,835,000)
---------------------------	------	-------------	-----------	---	-------------

FY 2005 Base					
Agency Request	0.00	12,126,700	0	0	12,126,700
Governor's Recommendation	0.00	8,126,700	0	0	8,126,700

Nonstandard Adjustments

Includes an increase of \$34,300 in State Controller fees and a reduction of \$500 in State Treasurer fees.

Agency Request	0.00	33,800	0	0	33,800
----------------	------	--------	---	---	--------

Governor's Recommendation	0.00	33,800	0	0	33,800
---------------------------	------	--------	---	---	--------

FY 2005 Program Maintenance					
Agency Request	0.00	12,160,500	0	0	12,160,500
Governor's Recommendation	0.00	8,160,500	0	0	8,160,500

1. Increased Funding

Provides added General Fund support to meet anticipated health care cost needs in fiscal year 2005.

Agency Request	0.00	2,073,300	0	0	2,073,300
----------------	------	-----------	---	---	-----------

Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

Catastrophic Health Care

Analyst: Burns

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Lump Sum or Other Adjustments					
A lump sum appropriation removes all restrictions that limit the transfer of moneys among Personnel Costs, Operating Expenses, Capital Outlay and Trustee/Benefit Payments. As an exception to state budget laws, a lump sum appropriation requires specific legislative authorization and approval per Section 67-3508(1), Idaho Code.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2005 Total					
Agency Request	0.00	14,233,800	0	0	14,233,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>8,160,500</i>	<i>0</i>	<i>0</i>	<i>8,160,500</i>
Agency Request					
Change from Original App	0.00	6,107,100	(835,000)	0	5,272,100
% Change from Original App		75.1%	(100.0%)		58.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>33,800</i>	<i>(835,000)</i>	<i>0</i>	<i>(801,200)</i>
<i>% Change from Original App</i>		<i>0.4%</i>	<i>(100.0%)</i>		<i>(8.9%)</i>

Catastrophic Health Care Issues & Information

Analyst: Burns

Strategic Planning Act Performance Measures

Selected Measures	FY 2002 Act	FY 2003 Act	FY 2004 Est	FY 2005 Est
1. Payment of medical bills for qualified medically indigent persons exceeding \$10,000				
a. Amount paid	\$ 13,943,000	\$ 13,534,500	\$ 14,007,633	\$ 14,708,014
b. Number of claims	773	816	1,039	1,091
c. Cost of average claim	\$ 18,037	\$ 16,856	\$ 13,482	\$ 13,481
2. Administrative fees and costs				
a. Contract for program administration	\$ 169,464	\$ 179,678	\$ 191,735	\$ 199,404
b. CAT board expenses	\$ 15,000	\$ 16,898	\$ 19,000	\$ 19,950
c. Administrative costs as % of claims paid	1.2%	1.3%	1.5%	1.5%
3. Reimbursements to CAT program from or on behalf of indigents				
a. Amount reimbursed	\$ 1,417,130	\$ 1,665,101	\$ 755,000	\$ 800,000
b. Number of claims	1,090	1,284	1,000	1,270
c. Amount of average annual reimbursement	\$ 1,300	\$ 1,297	\$ 755	\$ 630

Catastrophic Health Care Fund Analysis*

Fiscal Year	Beginning Balance	Gen Fund + Approp.	Other + Adjust.	Fund - Expend.	Ending Balance
1992	0	2,200,000	802,200	(435,300)	2,566,900
1993	2,566,900	0	4,100,200	(4,656,500)	2,010,600
1994	2,010,600	0	199,600	(1,988,900)	221,300
1995	221,300	11,977,400	440,800	(11,789,800)	849,700
1996	849,700	7,557,300	863,700	(8,199,600)	1,071,100
1997	1,071,100	9,764,600	1,073,500	(9,272,400)	2,636,800
1998	2,636,800	9,764,600	1,249,500	(10,029,000)	3,621,900
1999	3,621,900	10,135,700	2,074,100	(11,329,600)	4,502,100
2000	4,502,100	5,885,700	2,998,700	(10,522,400)	2,864,100
2001	2,864,100	10,000,000	1,644,600	(11,851,200)	2,657,500
2002	2,657,500	9,600,000	1,788,400	(13,942,600)	103,300
2003	103,300	10,442,400	3,164,800	(13,710,500)	0
2004 (est)**	0	12,126,700	2,200,000	(14,326,700)	0
2005 (est)	0	14,233,800	1,950,000	(16,183,800)	0

* The Catastrophic Health Care Fund Analysis does not include funding received from the Millennium Income Fund to reduce county deductibles for smoking related illnesses.

** The General Fund Appropriation for fiscal year 2004, assumes the approval of a \$4.0 million supplemental.